

Consolidated Financial Results For the 3rd Quarter Ended December 31, 2019

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges (First Section)

Stock code number: 7250

URL: <http://www.pacific-ind.co.jp/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2019 3rd Quarter (From April 1, 2019 to December 31, 2019)

(1) Consolidated Financial Results

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2019 3rd quarter	123,075	22.3	6,798	6.6	7,791	4.3	5,568	0.6
FY2018 3rd quarter	100,607	16.0	6,378	11.5	7,466	3.1	5,537	2.8

Note: Comprehensive income

FY2019 3rd quarter: 5,165 million yen (13.9%), FY2018 3rd quarter: 4,534 million yen (△48.2%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2019 3rd quarter	92.20	91.81
FY2018 3rd quarter	91.86	91.32

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2019 3rd quarter	203,042	100,122	48.8
FY2018	203,831	97,075	47.0

Note: Shareholders' equity: FY2019 3rd quarter: 99,066 million yen FY2018: 95,900 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2018	—	14.00	—	19.00	33.00
FY2019	—	16.00	—	—	—
FY2019(Forecast)	—	—	—	17.00	33.00

Note: Revisions to the forecasts announced most recently: None

3. Forecasts of Consolidated Financial Results for FY 2019 (From April 1, 2019 to March 31, 2020)

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2019	160,000	10.3	10,000	△ 3.0	11,000	△ 6.5	8,000	△ 8.4	132.42

Note: Revisions to the forecasts announced most recently: None

4. Notes

(1) Changes in major subsidiaries during the current quarter: None

(Changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares issued and outstanding (common stock)

① Number of shares outstanding at end of period(including treasury stock)	FY2019 3rd quarter	61,312,896 shares	FY 2018	61,312,896 shares
② Number of shares of treasury stock at end of period	FY2019 3rd quarter	868,815 shares	FY 2018	1,001,484 shares
③ Average number of common stock (quarterly total)	FY2019 3rd quarter	60,402,356 shares	FY2018 3rd quarter	60,284,183 shares

* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

Consolidated Balance Sheets

(Mmillion Yen)

	FY2018 (As of Mar.31, 2019)	FY2019 (As of Dec.31, 2019)		FY2018 (As of Mar.31, 2019)	FY2019 (As of Dec.31, 2019)
(Assets)			(Liabilities)		
Current Assets	64,320	57,889	Current Liabilities	45,151	36,219
Cash and time deposits	21,763	18,780	Trade notes and accounts payable	10,626	9,440
Trade notes and accounts receivable	23,949	21,083	Electronically recorded obligations - operating	8,447	6,136
Inventories	14,671	15,372	Short-term borrowings	4,769	4,374
Other accounts receivable	3,366	2,102	Current portion of long-term borrowings	5,285	3,750
Other current assets	652	635	Other accounts payable	6,509	4,743
Less: Allowance for doubtful accounts	△ 82	△ 85	Accrued expenses	2,163	2,151
			Income taxes payable	1,924	489
Fixed Assets	139,510	145,152	Consumption taxes payable	111	62
Property, Plant and Equipment	92,178	95,762	Deposit received	784	1,190
Buildings and structures	23,332	24,983	Allowance for bonuses	1,615	862
Machinery and vehicles	37,002	40,684	Allowance for bonuses to directors	60	45
Tools, Furniture, and fixtures	7,605	6,677	Notes concerning installations	127	250
Land	7,627	7,590	Other current liabilities	2,727	2,721
Lease Asset	412	631	Noncurrent Liabilities	61,604	66,699
Construction in progress	16,197	15,195	Long-term borrowings	51,529	55,620
Intangible Fixed Assets	15,035	13,795	Deferred tax liabilities	8,181	9,106
Goodwill	8,803	8,164	Provision for directors retirement benefit	191	191
Other	6,232	5,631	Net defined benefit liabilities	648	679
Investments and Other Assets	32,296	35,594	Other noncurrent liabilities	1,052	1,103
Investments in securities	26,675	29,669	Total Liabilities	106,755	102,919
Long-term loans	64	63	(Net assets)		
Deferred tax assets	273	257	Shareholders' Equity	82,973	86,532
Net defined benefit asset	4,473	4,745	Capital stock	7,316	7,316
Other fixed assets	812	861	Capital surplus	7,626	7,705
Less: Allowance for doubtful accounts	△ 3	△ 3	Retained earnings	68,315	71,756
			Less: Treasury stock at cost	△ 285	△ 246
			Valuation and Translation Adjustment	12,927	12,533
			Valuation difference on available securities	11,480	13,352
			Foreign currency translation adjustments	1,015	△ 1,147
			Remeasurement of defined benefit plan	431	328
			Subscription rights to shares	274	184
			Minority Interests	900	872
			Total Net Assets	97,075	100,122
Total Assets	203,831	203,042	Total Liabilities and Net Assets	203,831	203,042

Consolidated Statements of Income

(Million Yen)

	FY2018 For the Year Ended Dec.31, 2018	FY2019 For the Year Ended Dec.31, 2019
Net sales	100,607	123,075
Cost of sales	86,768	106,520
Gross profit	13,839	16,555
Selling, general and administrative expenses	7,460	9,756
Operating Income	6,378	6,798
Non-operating income	1,484	1,314
Interest income	56	67
Dividend income	569	580
Equity in earnings of affiliated companies	502	393
Foreign exchange gain	131	-
Other non-operating income	224	273
Non-operating Expenses	395	322
Interest expense	189	237
Commission fee	190	1
Foreign exchange losses	-	51
Other non-operating expense	16	32
Ordinary income	7,466	7,791
Extraordinary income	128	-
Gain on sales of fixed assets	128	-
Extraordinary Losses	58	126
Loss on sales and retirements of fixed assets	58	126
Income before income taxes and non controlling interests	7,536	7,664
Income taxes	1,981	2,113
Current term net profit	5,554	5,550
Loss attributable to non controlling interests	17	△ 18
Profit attributable to the owners of parent	5,537	5,568